

EXHIBIT A

BUSINESS INSIDER

Spotify now has 20 million paying subscribers



ROB PRICE

JUN. 10, 2015, 8:07 AM

Hot on the heels of a [massive \\$526 million funding round](#), Spotify has announced new user [figures](#) as part of a charm offensive targeting artists.

The music streaming service now says it has 75 million users — of which 20 million are paid subscribers. This has doubled from 10 million a year ago. It also says it has paid out more than \$3 billion in royalties to artists.

It's a turbulent time in the music industry. Apple formally announced Apple Music, its own music streaming service, earlier this week. It's going to launch on June 30. And Jay Z recently launched Tidal, his own streaming service that distinguishes itself through high-quality audio-files and artist involvement.

For now, though, these figures cement Spotify as the clear industry leader, dominating the streaming market. ([It has previously been reported](#) that Spotify accounts for 86% of the entire on-demand streaming market.) But once Apple Music drops this could all change — the Cupertino company is reportedly aiming to secure a massive 100 million paid subscribers on its new service.

Although Spotify isn't publicly commenting on its [new round of funding](#), which values the company at more than \$8.5 billion, it will likely be used to try and fend off this new challenger. With vast cash reserves — [\\$178 billion as of February 2014](#) — Apple is able to launch a massive consumer push to persuade people to switch. But Spotify is also struggling to keep the artists themselves on-side.

The industry is going off free music

In recent months, the music industry has started to sour on free, ad-support music streaming, which now accounts for 55 million of Spotify's users. In one high-profile spat, Taylor Swift removed all her new music from Spotify, claiming it fails to properly value her art. And when Jay Z's Tidal was launched, it was framed as a way to ensure artists were paid properly for their work. (However, it has since [run into difficulties](#).)



Justin Sullivan/Getty Images

Spotify CEO Daniel Ek.

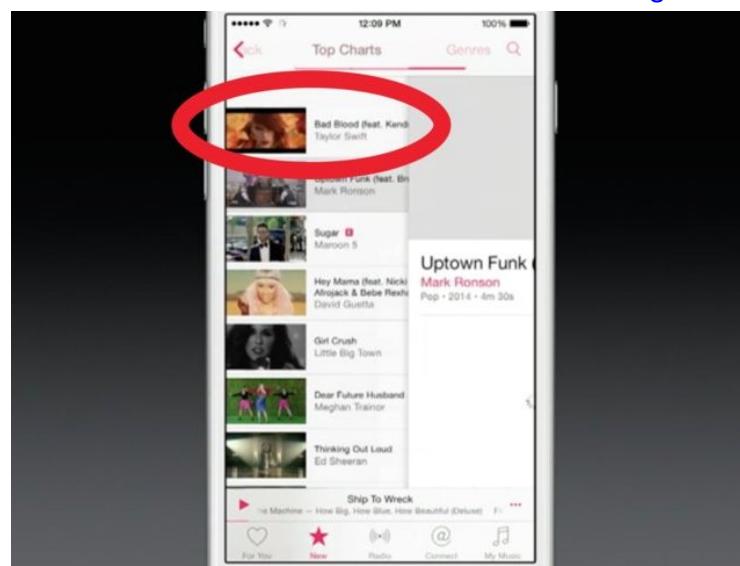
Meanwhile, Apple Music doesn't have a free tier, and it *does* have Taylor Swift — as it subtly showed off at the Apple Music announcement on Monday. And there have been reports that Apple is pressuring record labels to have them remove their music libraries from Spotify and other free streaming services altogether. EU and US regulators are now investigating whether this could constitute anti-competitive behaviour — but it's a clear indicator of how aggressively Apple is targeting Spotify ahead of its launch.

Spotify is now emphasising how much it is paying to artists and labels, writing in a blogpost that it has "paid more than \$3 billion USD in royalties, including more than \$300 million in the first three months of 2015 alone."

Paid subscriptions are up, from 10 million May 2015 to 20 million in May 2015. And overall users have increased from 40 million to 75 million. This means there's been a small increase in the proportion of users paying for the service, going up from 25% to 26.7%.

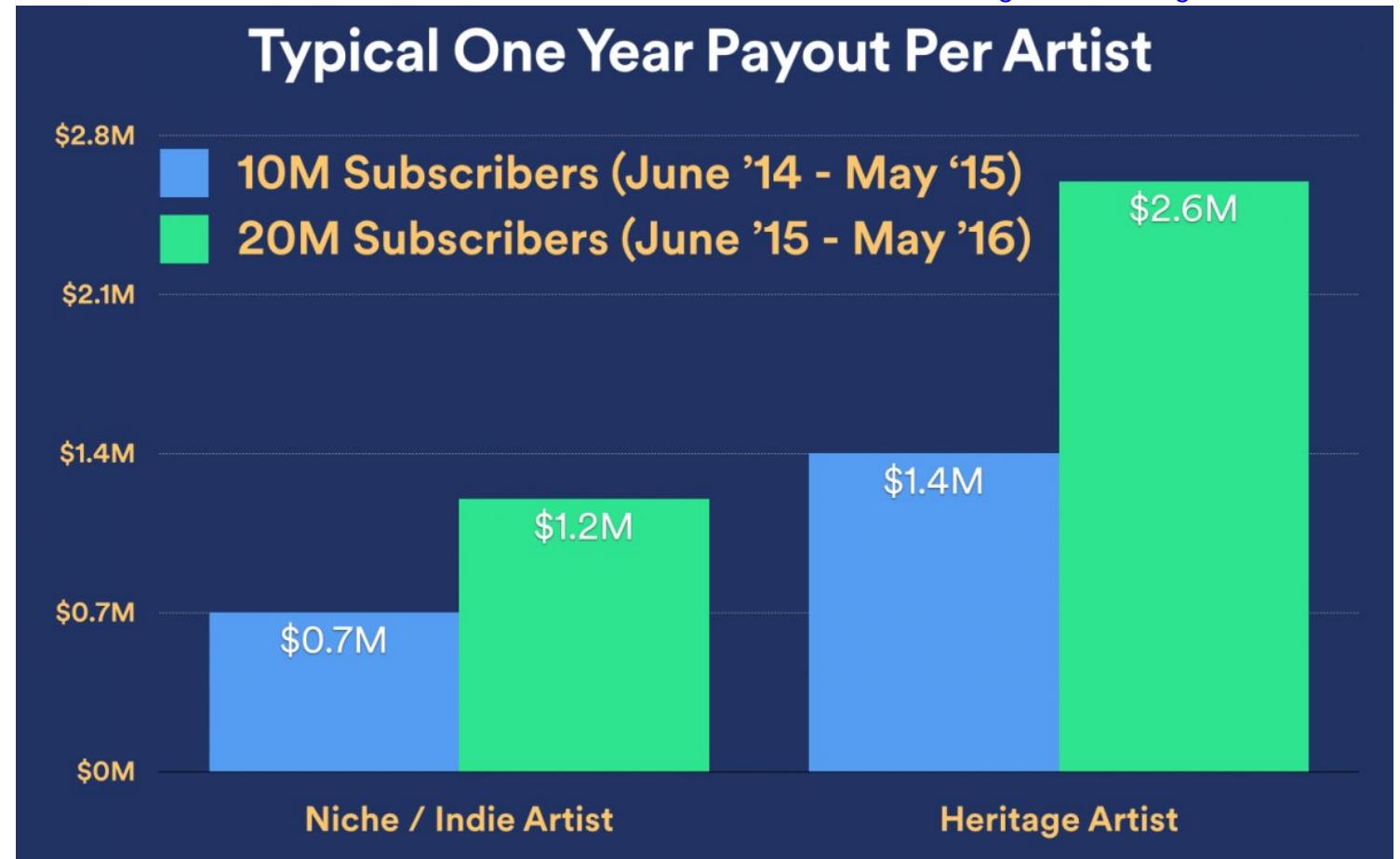
The music company has also broken down how much it says it typically pays out per artist, and how that figure is projected to grow over the coming 12 months due to the increased subscriber figures. It's important to note that not all of this payout will go to the artist themselves, however.

Here are the figures for "heritage" and "niche/indie" artists (we've reached out to Spotify to ask what "niche/indie" means in real terms):



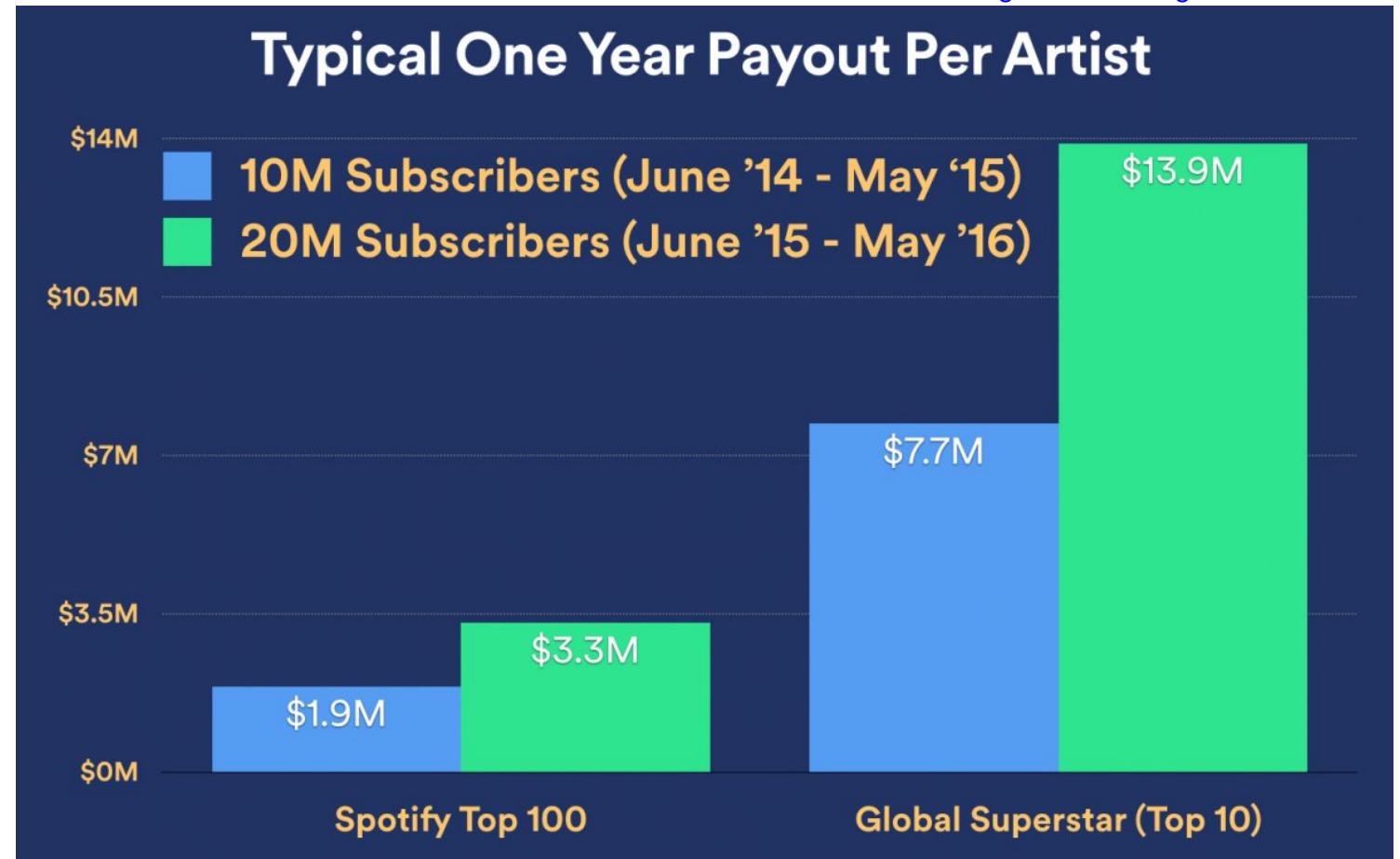
Apple

Taylor Swift will be participating in Apple Music, but she opted out of Spotify.



Spotify

And here are figures for the Spotify top 100 artists, and "global superstars":



Spotify

